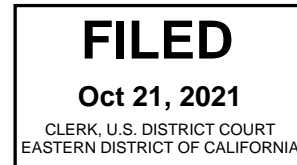


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SEALED

5 Attorneys for Plaintiff
6 United States of America

7 IN THE UNITED STATES DISTRICT COURT
8 EASTERN DISTRICT OF CALIFORNIA

9
10 UNITED STATES OF AMERICA,
11
12 Plaintiff,
13
14 v.

CASE NO. 2:21-cr-0207 TLN
18 U.S.C. § 1349 – Bank Fraud Conspiracy;
18 U.S.C. § 1344 – Bank Fraud (17 counts);
18 U.S.C. § 1028A(a)(1)(A) – Aggravated
Identity Theft; 18 U.S.C. §§ 982(a)(2), 981(a)(1)(C),
and 28 U.S.C. § 2461(c) – Criminal Forfeiture

13 KI JANG,
IL CHUNG,
14 HEE SOUNG OH,
aka Young Andy,
15 BON SOKE HONG,
aka Alex,
16 aka Bum Suk Han,
aka Andy Han, and
17 JONG EUN LEE,
aka Jong Hoon Lee,

18 Defendants.
19

20
21 INDICTMENT

22 COUNT ONE: [18 U.S.C. § 1349 – Bank Fraud Conspiracy]

23 The Grand Jury charges:

24 KI JANG,
IL CHUNG,
25 HEE SOUNG OH,
BON SOKE HONG, and
26 JONG EUN LEE,

27 defendants herein as follows:
28

1 I. BACKGROUND

2 At all times relevant to this Indictment:

3 Defendants

- 4 1. Defendant KI JANG resided in Southern California.
5 2. Defendant IL CHUNG resided in Southern California.
6 3. Defendant HEE SOUNG OH resided in Southern California.
7 4. Defendant BON SOKE HONG resided in Southern California.
8 5. Defendant JONG EUN LEE resided in Southern California.

9 Victim Financial Institutions

10 6. Wells Fargo Bank, J.P. Morgan Chase, BBVA Compass, BMO Harris Bank, Umpqua
11 Bank, El Dorado Savings Bank, Bank of America, Citibank, Hanmi Bank, Bancorp Bank, Key Bank,
12 Bank of the West, Shinhan Bank, Hanin Federal Credit Union, Zions, First Utah Bank, TCF National
13 Bank, 1st Bank, Centennial Bank & Trust, First Bank, UMB Bank One West Bank, Country Bank,
14 Arizona State Bank, BBVA Compass Bank, Academy Bank, Open Bank, Regions Bank, Bank of
15 Commerce, Bank of Albuquerque, Banner Bank, Capitol One Bank, Charles Schwab Bank, County
16 Bank, East West Bank, First Federal Savings, Home Street Bank, Mission Federal Credit Union, Pacific
17 City Bank, Iberia Bank, Union Bank, Wilshire State Bank, and Mountain West Bank, were all financial
18 institutions as defined in 18 U.S.C. § 20, and were members of the Federal Deposit Insurance
19 Corporation ("FDIC"), whose deposits were insured by the FDIC. These financial institutions
20 conducted banking business in interstate commerce.

21 II. THE CONSPIRACY

22 1. Beginning at least as early as March 2014 and continuing thereafter until in or about
23 March 2018, in the State and Eastern District of California and elsewhere, JANG, CHUNG, OH,
24 HONG, and LEE knowingly and intentionally conspired among themselves and with other persons,
25 known and unknown to the Grand Jury, to execute a material scheme and artifice to defraud financial
26 institutions, and to obtain the monies, funds, credits, assets, securities, and other property owned by and
27 under the custody and control of financial institutions by means of materially false and fraudulent
28 pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344,

1 Bank Fraud.

2 III. MANNER AND MEANS

3 During all times relevant to the conspiracy, the manner and means by which the conspiracy was
4 sought to be accomplished included, among others, the following:

5 7. The defendants conspired to commit a bank “bust out” scheme that exploited the courtesy
6 float period to extract non-existent funds from personal bank accounts. As used herein, a “bust out”
7 scheme is a method of extracting cash from bank accounts by depositing counterfeit and/or non-
8 sufficient funds checks and then drawing from the account through a variety of transactions, including
9 withdrawing cash over the counter, withdrawing cash through an ATM, or using debit cards at points of
10 sale. Once the fraudulent nature of the check is discovered and the check has been discharged by the
11 bank, the account has been “busted.”

12 8. As part of the scheme, the defendants used false identity documents to open bank
13 accounts across the United States, strategically deposited funds into those accounts to give the
14 appearance of legitimate banking, and then withdrew amounts well in excess of any available funds.

15 9. The scheme generally operated by repeating the following basic pattern:

- 16 a. A participant in the scheme obtained a fraudulent South Korean passport or other
17 identity document.
- 18 b. A participant in the scheme opened a mail box account for the purpose of
19 providing the financial institution a local address for the account holder.
- 20 c. A participant in the scheme opened an account at a financial institution, using the
21 fraudulent identity document. The account was opened with a small amount of
22 cash, typically \$100 or less.
- 23 d. The account was then left essentially dormant for a period of typically one to six
24 months to “age” the account. Aging the account allowed for any bank restrictions
25 on newly-opened accounts to expire. A participant in the scheme might conduct
26 small, infrequent account transactions during this time to facilitate the aging
27 process.
- 28 e. Banks would typically allow a holder of an aged account to deposit a check and
make withdrawals against that check before the check had actually cleared
through the bank against which the check had been drawn. After aging the
account, a participant in the scheme would enter a branch of the bank and attempt
one of the following transactions: (1) cash a third-party non-sufficient funds

1 check or counterfeit check drawn on another financial institution; (2) deposit a
2 third-party non-sufficient funds check or counterfeit check drawn on another
3 financial institution and receive a portion back in cash; or (3) deposit a third-party
4 non-sufficient funds check or counterfeit check drawn on another financial
5 institution.

6 f. If the check was successfully deposited, a participant in the scheme would attempt
7 to access the funds through over-the-counter withdrawals, ATM withdrawals and
8 point-of-sale transactions until the fraudulent nature of the checks was discovered
9 by the financial institution and the account was frozen or closed.

10 g. Participants in the scheme then moved on to another geographic location to
11 continue the scheme.

12 IV. OVERT ACTS

13 10. In furtherance of the conspiracy, and to accomplish its object, defendants JANG,
14 CHUNG, OH, HONG, and LEE, together with others known and unknown to the Grand Jury,
15 committed and willfully caused others to commit the following overt acts, among others, within the
16 Eastern District of California and elsewhere:

17 11. Overt Act No. 1: JANG supplied false Republic of Korea passports used to open bank
18 accounts and mailboxes in furtherance of the conspiracy. On or about March 2017, JANG met with
19 J.K., in Los Angeles, California, and took a photograph of him.

20 12. Overt Act No. 2: JANG acted as a screener for new participants being recruited into the
21 scheme. He met with new recruits and evaluated whether they would be a good fit with the scheme as
22 well as whether they were potentially affiliated with law enforcement. In or about March 2017, JANG
23 met with J.K., in Los Angeles, California.

24 2017 Arizona Bust Out

25 13. Overt Act No. 3: On or about January 12, 2017, JANG opened a P.O. Box in the name of
26 J.H.H., in Prescott, Arizona, using a fraudulent Republic of Korea passport.

27 14. Overt Act No. 4: On or about January 12, 2017, JANG opened Country Bank (a division
28 of Arizona State Bank) account #xxx4953 in the name of J.H.H, using a fraudulent Republic of Korea
passport. Over six days, from on or about April 19 through April 24, 2017, approximately 54 checks
were presented for payment by a member of the conspiracy against the Country Bank checking account

1 in amounts between \$900 and \$2,997, for a total of \$108,618. Each of these checks eventually bounced,
2 as there was only approximately \$36.15 in the checking account to cover the checks.

3 15. Overt Act No. 5: On or about January 12, 2017, JANG opened J.P. Morgan Chase bank
4 account #xxxxx0827 in the name of J.H.H. in Prescott Valley, Arizona, using the same fraudulent
5 Republic of Korea passport. This account was then busted out between on or about April 20 and 24,
6 2017, by co-conspirators who deposited insufficient check funds written out of the Country Bank
7 account #xxx4953, and then withdrew cash and conducted debit card transactions causing a loss to the
8 bank of approximately \$10,484.97.

9 16. Overt Act No. 6: On or about January 12, 2017, JANG opened Wells Fargo Bank
10 account #xxxxxx9834 in the name of J.H.H. in Prescott Valley, Arizona, using the same fraudulent
11 Republic of Korea passport. This account was then busted out between on or about April 20 and 21,
12 2017, by co-conspirators who deposited insufficient check funds written out of the Country Bank
13 account #xxx4953, and then withdrew cash and conducted debit card transactions causing a loss to the
14 bank of approximately \$6,249.67.

15 2016 Paso Robles Bust Out

16 17. Overt Act No. 7: On or about July 5, 2016, CHUNG opened J.P. Morgan Chase account
17 #xxxxxx3065 in the name of G.R.H. in Santa Maria, California, using a fraudulent Republic of Korea
18 passport.

19 18. Overt Act No. 8: On or about October 14, 2016, CHUNG opened a P.O. Box in the name
20 of N.H.K. in Phoenix, Arizona. On this same date, a member of the conspiracy opened 1st Bank
21 account, #xxxxxx7365, in the name of N.H.K., also in Phoenix, Arizona, using the P.O. Box address that
22 CHUNG had opened to establish residency. Over a period of ten days, between on or about October 18
23 and 27, 2016, approximately 46 checks, including checks deposited to the J.P. Morgan Chase account
24 #xxxx3065 that CHUNG had opened, were presented for payment against the checking account in
25 amounts between \$800 and \$2,987, for a total of approximately \$77,532. All of the checks eventually
26 bounced, as there was only approximately \$43.55 in the checking account to cover the checks.

27 2016 Central Coast Bust Out

28 19. Overt Act No. 9: On or about July 11, 2016, Jong Eun LEE opened Wells Fargo Bank

1 account #xxxxxx5997, in Greenfield, California, in the name of S.B.C., using a fraudulent Republic of
2 Korea passport.

3 20. LEE and her co-conspirators then busted out Wells Fargo Bank account #xxxxxx5997 by
4 depositing insufficient funds checks written out of the 1st Bank account referenced in paragraph 19, and
5 then withdrawing cash and conducting debit card transactions causing a loss to the bank of
6 approximately \$7,916.98.

7 21. Overt Acts No. 10-14: LEE conducted the following bust out transactions: (a) deposit of
8 an insufficient funds check drawn on the source account of N.H.K. in the amount of \$2,987 into Wells
9 Fargo account #xxxxxx5997 on or about October 20, 2016 in Goleta, California; (b) withdrawal of \$600
10 cash from Wells Fargo account #xxxxxx5997 on or about October 20, 2016, in Goleta, California; (c)
11 deposit of an insufficient funds check drawn on the source account of N.H.K. in the amount of \$1,890
12 into Wells Fargo account #xxxxxx5997 on or about October 21, 2016 in Grover Beach, California, with
13 \$1,500 cash back; (d) deposit of an insufficient funds check drawn on the source account of N.H.K. in
14 the amount of \$1,987 into Wells Fargo account #xxxxxx5997 on or about October 21, 2016 in Santa
15 Maria, California, with \$1,400 cash back; (e) withdrawal of \$1,700 cash from Wells Fargo account
16 #xxxxxx5997 on or about October 21, 2016 in Buellton, California.

17 2016 Bakersfield Bust Out

18 22. Overt Act No. 15: On or about June 29, 2016, HONG opened J.P. Morgan Chase
19 account #xxxxxx6376 in the name of J.W.K., using a fraudulent Republic of Korea passport, in
20 Bakersfield, California.

21 23. Overt Act No. 16: HONG and his co-conspirators then busted out J.P. Morgan Chase
22 account #xxxxxx6376 by depositing insufficient funds checks written out of the 1st Bank account
23 referenced in paragraph 19, and then withdrawing cash and conducting debit card transactions causing a
24 loss to the bank of approximately \$8,187.40. HONG himself conducted the following transaction:
25 deposit of a money order of \$1,000 into J.P. Morgan Chase account #xxxxxx6376 on October 17, 2016 in
26 Los Angeles, California.

27 24. Overt Act No. 17: On or about October 20, 2016, HONG deposited an insufficient
28 funds check drawn on the source account of N.H.K. in the amount of \$1,986 into J.P. Morgan Chase

1 account #xxxxx6376, in Torrance, California.

2 2017 Citrus Heights Bust Out

3 25. Overt Act No. 18: On or about May 24, 2017, OH opened El Dorado Savings Bank
4 account #xxxx7269 in the name of H.D.G., using a fraudulent Republic of Korea passport, in Citrus
5 Heights, California.

6 26. Over a period of approximately three days, from on or about June 22, 2017 through June
7 24, 2017, approximately 40 checks were presented for payment against El Dorado Savings Bank account
8 #xxxx7269, for a total of approximately \$84,111. All the checks eventually bounced, as there was only
9 approximately \$100 in the checking account to cover the checks.

10 27. On or about February 28, 2017, a co-conspirator opened Wells Fargo Bank account
11 #xxxxxxx7488 in the name of M.G.Y. in Los Angeles, California. OH and his co-conspirators busted out
12 Wells Fargo Bank account #xxxxxxx7488 by depositing insufficient funds checks written out of the El
13 Dorado Savings Bank account #xxxx7269 and then withdrawing cash and conducting debit card
14 transactions causing a loss to the bank totaling approximately \$9339.14.

15 28. Overt Acts No. 19-22: OH himself conducted the following bust out transactions with
16 each constituting a separate and independent overt act: (a) on or about June 22, 2017, OH deposited an
17 insufficient funds check into Wells Fargo Bank #xxxxxxx7488 written on El Dorado Savings Bank
18 account #xxxx7269 in the amount of \$2,990 in Keizer, Oregon; (b) on or about June 22, 2017, OH
19 withdrew \$1,000 cash from Wells Fargo Bank account #xxxxxxx7488, in Keizer, Oregon; (c) on or about
20 June 23, 2017, OH deposited an insufficient funds check into Wells Fargo Bank account #xxxxxxx7488
21 written on El Dorado Savings Bank account #xxxxx7269 in the amount of \$1,897 and received \$1,600
22 cash back in Portland, Oregon; (d) on or about June 23, 2017, OH deposited an insufficient funds check
23 into Wells Fargo Bank account #xxxxxxx7488 written on El Dorado Savings Bank account #xxxxx7269
24 in the amount of \$1,969 in Portland, Oregon.

25 All in violation of Title 18, United States Code, Section 1349.

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1 COUNTS TWO THROUGH EIGHTEEN: [18 U.S.C. § 1344 – Bank Fraud]

2 The Grand Jury further charges: T H A T

3 KI JANG,
4 IL CHUNG,
5 HEE SOUNG OH,
6 BON SOKE HONG, and
7 JONG EUN LEE,

8 defendants herein, as follows:

9 1. Paragraphs 1 through 6 of Count One of this Indictment are incorporated as if fully set
10 forth herein.

11 I. THE SCHEME TO DEFRAUD

12 2. The defendants named and identified in each count below, on the date specified below, in
13 the State and Eastern District of California and elsewhere, did knowingly, and with the intent to defraud,
14 execute and attempt to execute a material scheme and artifice to defraud at least one financial institution,
15 and to obtain the monies, funds, credits, assets, securities, and other property owned by and under the
16 custody and control of such financial institutions, by means of materially false and fraudulent pretenses,
17 representations and promises.

18 3. The fraudulent scheme operated, in substance, in the manner described in paragraphs 8, 9
19 and 10 of Count One of this Indictment.

20 II. EXECUTION OF THE SCHEME

21 4. On or about the following dates, within the Eastern District of California, and elsewhere,
22 defendants JANG, CHUNG, OH, HONG, and LEE committed and willfully caused others to commit the
23 following acts, each of which constituted an execution and attempted execution of the fraudulent
24 scheme:

COUNT	DATE	DEFENDANT(S)	ACT
TWO	May 24, 2017	OH	Opening First Bank account #xxxxxx8646 in the name of Victim 1 in Roseville, California
THREE	May 25, 2017	OH	Deposit of an insufficient funds check in the amount of \$2,980 drawn on the source account of S.Y.K. into Wells Fargo Bank account #xxxxxx8452 in Folsom, California, and obtainment of \$500 cash back

1	FOUR	May 26, 2017	OH	Deposit of an insufficient funds check in the amount of \$1,993 drawn on the source account of S.Y.K. into Wells Fargo Bank account #xxxxxx8452 in Citrus Heights, California, and obtainment of \$1,400 cash back
2				
3				
4	FIVE	May 26, 2017	OH	Deposit of an insufficient funds check in the amount of \$1,980 drawn on the source account of S.Y.K. into Wells Fargo Bank account #xxxxxx8452 in North Highlands, California
5				
6	SIX	May 26, 2017	OH	Withdrawal of \$1,900 cash from Wells Fargo Bank account #xxxxxx8452 in Roseville, California in order to bust out the account
7				
8	SEVEN	June 11, 2015	HONG	Deposit of a counterfeit check in the amount of \$1,880 drawn on the source account of M.K. into Wells Fargo account # xxxxxx3867 in Modesto, California
9				
10	EIGHT	June 11, 2015	HONG	Deposit of a counterfeit check in the amount of \$995 drawn on the source account of M.K. into Bank of America account # xxxxxxxx4190 in Modesto, California
11				
12	NINE	June 11, 2015	HONG	Withdrawal of \$200 from Bank of America account #xxxxxxxx4190 in Stockton, California in order to bust out the account
13				
14	TEN	June 12, 2015	HONG	Deposit of a counterfeit check in the amount of \$1,968 drawn on the source account of H.G. into Wells Fargo account # xxxxxx3867 in Stockton, California, and obtainment of \$1,668 cash back
15				
16	ELEVEN	June 11, 2015	CHUNG	Deposit of a counterfeit check in the amount of \$1,985 drawn on the source account of H.G. into Bank of America account # xxxxxxxx3463 in Lodi, California
17				
18	TWELVE	June 11, 2015	CHUNG	Withdrawal of \$800 from Bank of America account xxxxxxxx3463 in Modesto, California in order to bust out the account
19				
20	THIRTEEN	June 11, 2015	CHUNG	Deposit of a counterfeit check in the amount of \$1,877 drawn on the source account of M.K. into Wells Fargo Bank account # xxxxxx5033 in Modesto, California
21				
22	FOURTEEN	June 11, 2015	CHUNG	Deposit of a counterfeit check in the amount of \$1,890 drawn on the source account of M.K. into Bank of America account # xxxxxxxx3463 in Stockton, California
23				
24	FIFTEEN	June 11, 2015	CHUNG	Deposit of a counterfeit check in the amount of \$1,994 drawn on the source account of H.G. into Wells Fargo Bank account # xxxxxx5033 in Ceres, California
25				
26	SIXTEEN	June 11, 2015	CHUNG	Withdrawal of \$700 from Wells Fargo Bank account # xxxxxx5033 in Ceres, California in order to bust out the account
27				
28	SEVENTEEN	June 12, 2015	CHUNG	Withdrawal of \$2,400 from Wells Fargo Bank account # xxxxxx5033 in Stockton, California in order to bust out the account

EIGHTEEN	June 11, 2015	CHUNG	Deposit of a counterfeit check in the amount of \$1,890 drawn on the source account of M.K. into Bank of America account # xxxxxxxx3463 in Modesto, California
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All in violation of Title 18, United States Code, Section 1344.

COUNT NINETEEN: [18 U.S.C. § 1028A(A)(1)(A) -Aggravated Identity Theft]

The Grand Jury further charges T H A T:

HEE SOUNG OH,

1. Defendant herein, on or about May 24, 2017, in the State and Eastern District of California, during and in relation to a felony violation of Title 18, United States Code, Section 1344, Bank Fraud, as alleged in Count Two, above, did knowingly without lawful authority, use a means of identification of another person, to wit, a social security number belonging to Victim 1, all in violation of Title 18, Section 1028A(a)(1).

FORFEITURE ALLEGATION: [18 U.S.C. §§ 982(a)(2), 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal Forfeiture]

1. Upon conviction of one or more of the offenses alleged in Count One through Eighteen of the Indictment, defendants KI JANG, IL CHUNG, HEE SOUNG OH, BON SOKE HONG, and JONG EUN LEE shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C), § 982(a)(2)(B) and 28 U.S.C. § 2461(c), all property, real and personal, which constitutes or is derived from proceeds traceable to such violations, including but not limited to a sum of money equal to the total amount of money involved in the offenses, for which the defendants are convicted.

2. If any property subject to forfeiture, as a result of the offenses alleged in Counts One through Eighteen of this Indictment, for which the defendants are convicted:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

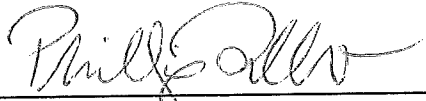
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1 it is the intent of the United States, pursuant to 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c),
2 incorporating 21 U.S.C. § 853(p), to seek forfeiture of any other property of defendant, up to the value
3 of the property subject to forfeiture.
4

5 A TRUE BILL.

6 **/s/ Signature on file w/AUSA**
7

8 FOREPERSON
9

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11 PHILLIP A. TALBERT
12 Acting United States Attorney
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No. _____

2:21-cr-0207 TLN

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

KI JANG,
IL CHUNG,
HEE SOUNG OH,
aka Young Andy,
BON SOKE HONG,
aka Alex,
aka Bum Suk Han,
aka Andy Han, and
JONG EUN LEE,
aka John Hoon Lee

as to all defendants

INDICTMENT

VIOLATION(S): 18 U.S.C. § 1349 – Bank Fraud Conspiracy;
18 U.S.C. § 1344 – Bank Fraud (17 counts); 18 U.S.C. § 1028A (a)(1)(A) –
Aggravated Identity Theft; 18 U.S.C. §§ 982(a)(2), 981(a)(1)(C),
and 28 U.S.C. § 2461(c) – Criminal Forfeiture

A true bill,

/s/ Signature on file w/AUSA

Foreman.

Filed in open court this _____ *day*

of _____, *A.D. 20* _____

Clerk.

No Bail Warrant Pending Hearing *as to all defendants*

Bail, \$ _____

Carol H. Delaney

United States v. Jang et al.
Penalties for Indictment

Defendants

KI JANG,
IL CHUNG,
HEE SOUNG OH,
BON SOKE HONG,
JONG EUN LEE

COUNT 1:

VIOLATION: 18 U.S.C. § 1349 – Conspiracy

PENALTIES: 30 Years Imprisonment;
Not more than \$1,000,000 fine;
5 Years TSR

COUNTS 2-18:

VIOLATION: 18 U.S.C. § 1344 – Bank Fraud

PENALTIES: 30 Years Imprisonment per count;
Not more than \$1,000,000 fine;
5 Years TSR

COUNT 4 (DEFENDANT OH):

VIOLATION: 18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft

PENALTIES: Mandatory consecutive 2 years in prison;
Not more than \$250,000 fine;
1 Year TSR

FORFEITURE ALLEGATION:

VIOLATION: 18 U.S.C. §§ 982(a)(2), 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal Forfeiture

PENALTIES: As stated in the charging document